

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
W. R. GRACE & CO., et al.¹)
Debtors.) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
) **Objection Deadline:** November 19, 2002, at
) 4:00 p.m. (prevailing eastern time)

SUMMARY APPLICATION OF KIRKLAND & ELLIS FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS BANKRUPTCY
COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE THIRD MONTHLY
INTERIM PERIOD, FROM SEPTEMBER 1, 2002, THROUGH SEPTEMBER 30, 2002,
FOR THE QUARTER OF JULY – SEPTEMBER, 2002

Name of Applicant:	<u>Kirkland & Ellis</u>
Authorized to Provide Professional Services to:	<u>W. R. Grace & Co., et al., Debtors and Debtors-in-Possession</u>
Date of Retention:	<u>Retention Order entered May 3, 2001, effective as of April 2, 2001.</u>
Period for which compensation and reimbursement is sought:	<u>September 1, 2002, through September 30, 2002</u>
Amount of Compensation sought as actual, reasonable and necessary:	<u>\$238,876.50</u>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$20,882.49</u>

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darez Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This is a X monthly interim final application.

The total time expended for the preparation of this application is approximately 45 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$14,000.00.

This is the third monthly application for interim compensation of services for the July - September 2002 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
May 29, 2001	4/2 - 4/30/01	\$626,079.00	\$32,439.84	pending	pending
June 29, 2001	5/1 - 5/31/01	\$567,151.00	\$77,487.86	pending	pending
July 31, 2001	6/1 - 6/30/01	\$560,569.50	\$45,466.13	pending	pending
July 31, 2001	April - June, 2001	\$1,753,799.50	\$155,393.83	pending	pending
August 28, 2001	7/1-7/31/01	\$476,582.50	\$25,312.13	pending	pending
September 28, 2001	8/1-8/31/01	\$472,334.50	\$29,022.59	pending	pending
October 30, 2001	9/1-9/30/01	\$443,617.50	\$27,147.47	pending	pending
November 7, 2001	July - September, 2001	\$1,392,534.50	\$81,482.19	pending	pending
December 11, 2001	10/1-10/31/01	\$493,074.00	\$27,724.54	pending	pending
December 29, 2001	11/1-11/30/01	\$524,980.00	\$29,678.21	pending	pending
January 31, 2002	12/1-12/31/01	\$405,278.50	\$27,276.95	pending	pending
February 7, 2002	October-December, 2001	\$1,423,332.50	\$84,679.70	pending	pending
March 4, 2002	1/1-1/31/02	\$439,056.00	\$32,279.54	Interim approval ²	Interim approval
March 27, 2002	2/1-2/28/02	\$412,304.00	\$18,475.64	Interim approval	Interim approval
May 2, 2002	3/1-3/31/02	\$430,342.50	\$51,759.20	Interim approval	Interim approval
June 10, 2002	January-March, 2002	\$1,281,702.50	\$102,514.38	\$1,281,702.50	\$101,656.38
June 10, 2002	4/1-4/30/02	\$410,702.50	\$25,286.05	pending	pending
July 2, 2002	5/1-5/31/02	\$335,280.50	\$25,556.83	pending	pending
August 8, 2002	6/1-6/30/02	\$243,127.00	\$16,326.36	pending	pending
September 3, 2002	April-June, 2002	\$989,110.00	\$67,169.24	pending	pending
September 11, 2002	7/1-7/31/02	\$335,129.00	\$28,504.48	pending	pending
October 2, 2002	8/1-8/31/02	\$344,619.00	\$86,047.20	pending	pending

K&E has filed certificates of no objection with respect to the interim monthly Applications for April 2001 through August 2002, respectively, because no objections were filed

² The fees and expenses requested in the January-March, 2002, interim monthly Applications were approved on an interim basis pursuant to the order entered by this Court on October 9, 2002.

within the respective objection periods. The Quarterly Applications for the interim periods from April 2, 2001, through June 31, 2001, July 1, 2001, through September 30, 2001, and October 1, 2001, through December 31, 2001, have been scheduled for hearing on September 23, 2002. The Quarterly Application for the interim period from January 1, 2002, through March 31, 2002, has been scheduled for hearing on August 26, 2002. The Quarterly Application for the interim period April 1, 2002, through June 30, 2002, has been scheduled for hearing on November 25, 2002.

The K&E attorneys who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years as an Attorney	Department	Hourly Billing Rate	Total Billed Hours	Total Compensation
Janet S. Baer	Of Counsel	20 Years	Bankruptcy	\$580.00	90.80	\$52,664.00
James W. Kapp	Partner	8 Years	Bankruptcy	\$470.00	68.20	\$32,054.00
Roger J. Higgins	Associate	6 Years	Bankruptcy	\$390.00	86.00	\$33,540.00
Christian J. Lane	Associate	4 Years	Bankruptcy	\$410.00	88.20	\$36,162.00
David M. Bernick, P.C.	Partner	24 Years	Litigation	\$665.00	1.00	\$665.00
Michelle H. Browdy	Partner	12 Years	Litigation	\$420.00	0.40	\$168.00
Lisa G. Esayan	Partner	12 Years	Litigation	\$430.00	5.90	\$2,537.00
Mark E. Grummer	Partner	26 Years	Environmental	\$420.00	9.10	\$3,822.00
Natalie H. Keller	Associate	5 Years	Taxation	\$415.00	10.20	\$4,233.00
Todd F. Maynes	Partner	15 Years	Taxation	\$600.00	13.70	\$8,220.00
Linda Potapova	Associate	2 Years	Taxation	\$210.00	11.00	\$2,310.00
Andrew R. Running	Partner	20 Years	Litigation	\$480.00	4.50	\$2,160.00
Pratibha J. Shenoy	Associate	2 Years	Taxation	\$280.00	25.40	\$7,112.00
S. Jonathan Silverman	Partner	10 Years	Litigation	\$430.00	30.00	\$12,900.00
Christopher B. Sullivan	Partner	7 Years	Litigation	\$390.00	33.40	\$13,026.00
David J. Zott	Partner	16 Years	Litigation	\$475.00	3.00	\$1,425.00

The paraprofessionals of K&E who rendered professional services in these cases during the Fee Period are:

Name of Professional Person	Position with the Applicant	Number of years in that position	Department	Hourly Billing Rate	Total billed hours	Total Compensation
Rhonda A. Bledsoe	Legal Assistant	11 Years	Bankruptcy	\$200.00	38.10	\$7,620.00
Toni L. Wallace	Legal Assistant	1 Year	Bankruptcy	\$145.00	28.40	\$4,118.00
Aletheia V. Anderson	Project Assistant	1 Year	Bankruptcy	\$95.00	27.40	\$2,603.00

Name of Professional Person	Position with the Applicant	Number of years in that position	Department	Hourly Billing Rate	Total billed hours	Total Compensation
Miriam Geraghty	Project Assistant	3 Months	Bankruptcy	\$85.00	55.90	\$4,751.50
Shirley A. Pope	Legal Assistant	17 Years	Litigation	\$180.00	36.70	\$6,606.00
Charisma J. Starr	Technology Services	1 Year	Litigation	\$120.00	1.50	\$180.00

Grand Total for Fees: \$238,876.50

Blended Rate: \$357.17

Compensation by Matter

Matter Number	Matter	Total Hours	Total Fees Requested
17	Relief from Stay	26.50	\$11,424.00
19	Claims (Non-Asbestos)	4.00	\$1,383.00
20	Case Administration	119.60	\$22,653.00
21	Claims (Asbestos)	35.20	\$18,206.00
23	Business Operations	0.80	\$346.00
27	Employee Benefits/Pension	58.20	\$24,727.00
28	Litigation and Litigation Consulting	73.40	\$33,848.00
30	Hearings	13.50	\$7,328.00
31	Asset Disposition	9.10	\$3,630.00
32	Fee Applications, Applicant	149.10	\$41,326.00
35	Fee Applications Others	6.50	\$1,387.00
38	Employment Applications, Others	4.20	\$1,784.50
41	Tax Issues	24.70	\$9,656.50
42	Travel non-working	7.30	\$4,234.00
46	Tax Litigation	66.70	\$28,082.50
51	ZAI Science Trial	59.00	\$26,551.00
53	Valuation	11.00	\$2,310.00
	Total	668.80	\$238,876.50

Expense Summary

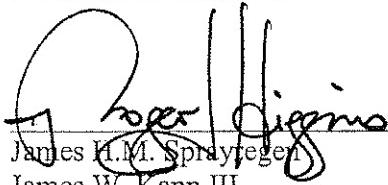
Description	Amount
Telephone	\$316.04
Fax Telephone Charge	\$23.63
Fax Charge	\$369.00
Standard Copies	\$2,611.40
Binding	\$8.75
Tabs/Indexes/Dividers	\$18.00
Color Copies	\$126.00
Scanned Images	\$61.05
Postage	\$0.37
Overnight Delivery	\$87.73
Overnight Delivery - Refund	\$(10.66)
Outside Messenger Services	\$8.46
Local Transportation	\$5.00
Travel Expense	\$2,705.12
Airfare	\$7,598.06
Transportation to/from airport	\$601.50
Travel Meals	\$294.17
Court Reporter Fee/Deposition	\$1,065.90
Calendar/Court Services	\$10.00
Witness Fees	\$(47.30)
Outside Paralegal Assistance	\$19.80
Working Meals/K&E and Others	\$148.00
Information Broker Doc/Svcs	\$221.27
Library Document Procurement	\$10.00
Computer Database Research	\$1,330.13
Overtime Transportation	\$143.10
Overtime Meals	\$87.00
Overtime Meals - Attorney	\$47.99
Secretarial Overtime	\$3,006.60
Miscellaneous Office Expenses	<u>\$16.38</u>
Total	\$20,882.49

WHEREFORE, K&E respectfully requests (a) that an allowance be made to it, as fully described above for the (i) 80% of the amount of \$238,876.50 for reasonable and necessary professional services K&E has rendered to the Debtors during the Fee Period (\$191,101.20) and (ii) 100% of the reimbursement of actual and necessary costs and expenses incurred by K&E during the Fee Period (\$20,882.49); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and (c) that this Court grant such further relief as is equitable and just.

Wilmington, Delaware
Dated: October 29, 2002

Respectfully submitted,

KIRKLAND & ELLIS



James H.M. Sprayregen
James W. Kapp III
Christian J. Lane
Roger J. Higgins
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000